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**Employment of Singapore Citizens,  
Permanent Residents and Foreigners,  
1997 to 2006**



**MINISTRY OF  
MANPOWER**

Manpower Research and Statistics Department  
Singapore

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# Employment of Singapore Citizens, Permanent Residents and Foreigners, 1997 to 2006

## 1 Introduction

1.1 Currently, employment data are disaggregated into local and foreign components. Following national statistical practice in Singapore, locals (also known as residents) comprise Singapore citizens and permanent residents, while foreigners (or non-residents) refer to those who are not citizens or permanent residents of Singapore.

1.2 This paper reports findings of an ad-hoc study to breakdown estimates of employment into three separate categories of Singapore citizens, permanent residents and foreigners, using data from Central Provident Fund Board (CPF Board) and Ministry of Manpower.

## 2 Composition of Employment

2.1 There were 2,495,900 persons employed in Singapore in December 2006. Out of every ten persons working, six were Singapore citizens (60% or 1,498,500), one was permanent resident (241,100 or 9.7%) and the remaining three were foreigners (30% or 756,300) ([Table 1](#)).

2.2 With greater inflow of foreigners taking up permanent residence in Singapore, reflecting the success in attracting international talent to support economic growth, the number of permanent residents working here rose by 8.4% a year from December 1997 to December 2006. This was significantly higher than the annualised growth of 1.5% for Singapore citizens and 2.3% for foreigners over the same period. This resulted in a rise in the employment share of permanent residents from 5.7% in December 1997 to 9.7% in December 2006. On the other hand, the share of citizens fell from 64% to 60%; although they still formed the majority of the workforce in Singapore. The share of foreigners was broadly unchanged at 30%.

**Table 1: Employment by Residential Status (as at December)**

Residential Status	1997		2006		Annualised Growth (%)
	Number	(%)	Number	(%)	
Total Employed	2,046,100	100.0	2,495,900	100.0	2.2
Residents (Locals)	1,427,300	69.8	1,739,600	69.7	2.2
<i>Singapore Citizens</i>	1,310,600	64.1	1,498,500	60.0	1.5
<i>Permanent Residents</i>	116,700	5.7	241,100	9.7	8.4
Non-residents (Foreigners)	618,800	30.2	756,300	30.3	2.3

Source: Administrative Records

Note: Data may not add up to total due to rounding.

### 3 Trends In Employment Change

3.1 This section examines the annual employment changes over the post-Asian crisis period which was characterized by a series of economic shocks and recovery that followed.

3.2 The strong economy from 2004 to 2006 generated robust employment growth of 360,700 over the three years, with Singapore citizens, permanent residents and foreigners all registering strong employment gains. 141,700 of the jobs created went to Singapore citizens, 62,500 to permanent residents, and the remaining 156,500 to foreigners (Chart 1).

3.3 Encouraged by the economic upturn, more Singapore citizens have entered the labour market and secured employment in recent years. In 2006, employment of Singapore citizens rose by a record high of 64,600<sup>1</sup>, surpassing the gains of 45,000 in 2005 and 32,000 in 2004. Similarly, there were strong growth in employment of permanent residents and foreigners, enabling the Singapore economy to grow beyond the confines of its indigenous labour supply. Given the limits to growth in our indigenous workforce and the larger base of jobs created, the proportion of employment gains going to citizens dropped from 45% in 2004 to 40% in 2005 and to 37% in 2006, even though the absolute gains in employment taken up by the citizens increased over the period. This is typical of periods of robust and sustained economic growth, with strong employment creation. Going forward, as our citizen workforce grows more slowly as a result of falling fertility and ageing, the share of employment gains going to Singapore citizens is likely to decline further, if the economy and the labour market continue to grow strongly.

<sup>1</sup> For the period covered by the study (1997 – 2006). Nevertheless the gain in employment for Singapore citizens in 2006 had exceeded either the local or total employment gains in the earlier years, and is thus a record high in absolute terms.

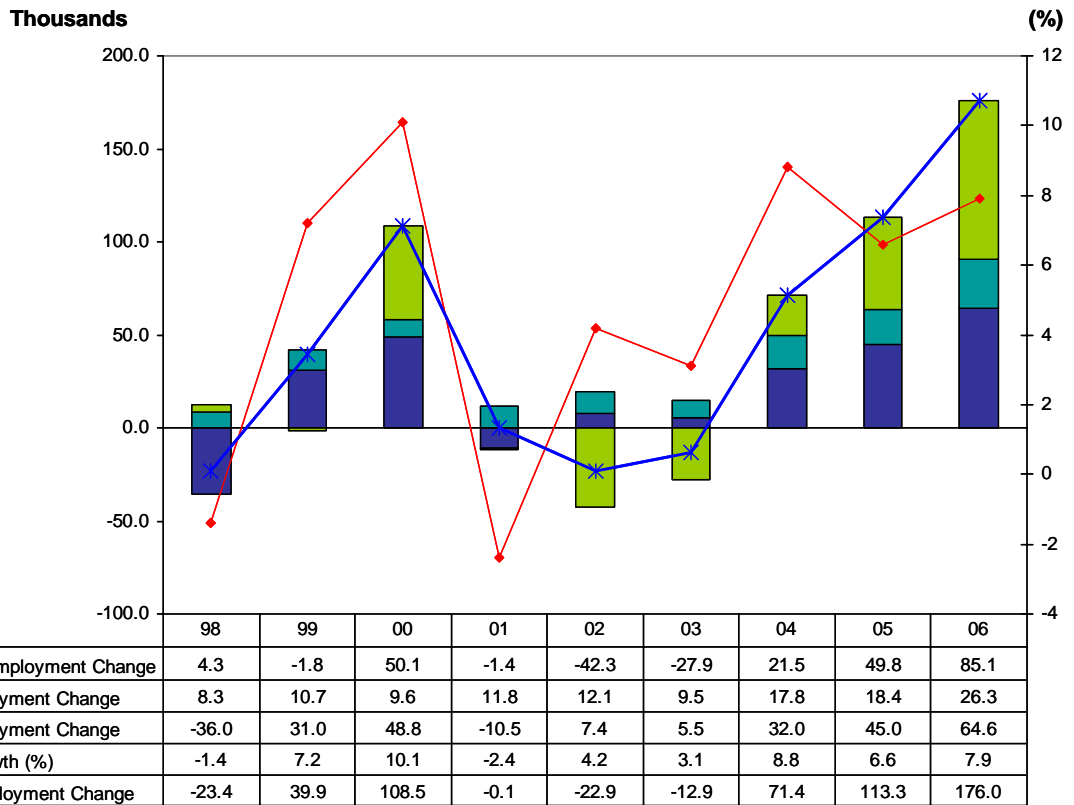
3.4 During the economic slowdown from 2001 to 2003, total employment fell, with foreigners bearing the brunt of the job losses. Foreign employment contracted by 1,400 in 2001 and more substantially by 42,300 in 2002 and 27,900 in 2003. On the other hand, the employment of Singapore citizens grew nearly every year. Although there were 10,500 fewer citizens in employment in 2001, this was quickly reversed in the subsequent two years when the employment of citizens rose by 7,400 in 2002 and 5,500 in 2003.

3.5 Employment of Singapore citizens contracted substantially by 36,000 in the 1998 Asian financial crisis but was quickly reversed in the subsequent two years with gains of 31,000 in 1999 and 48,800 in 2000. Foreign employment which grew by 4,300 in 1998, suffered a slight decline of 1,800 in 1999 before growing by 50,100 in 2000.

3.6 Permanent residents were more resilient, showing increases in employment even during economic downturns. This is because many of them are professionals working here on Employment Passes and were granted PR status due to their economic contributions. From 1998 to 2003, employment of permanent residents rose annually by 8,300 to 12,100. Supported by higher intake of permanent residents in recent years, the employment gains accruing to permanent residents rose from 17,800 in 2004 to 18,400 in 2005 and further to 26,300 in 2006. This was in line with the liberalization of PR policy as immigration remains a key strategy to tackle the population challenge.

**Chart 1**

**Employment Change by Residential Status, 1998 to 2006**



Notes: SC - Singapore Citizen  
PR - Permanent Resident

## 4 Employment by Industry

4.1 The services sector generated the bulk of the jobs created for Singapore citizens. For instance, 84% of the total employment gains for Singapore citizens in 2006 were from the services sector ([Appendix 1](#)). Consequently, the services sector has a higher concentration of Singapore citizens than other sectors. Close to seven out of ten (69%) of the services workforce were Singapore citizens in December 2006. Permanent residents made up 9.5%, while foreigners formed the remaining 22% of the workforce in the sector. ([Table 3](#)) In contrast, less than half (44%) of the employed in manufacturing were Singapore citizens. This was a decline from 52% in December 2001 as the share of foreigners and permanent residents rose to 45% and 11% respectively. Many of the foreigners were taking up jobs that are labour intensive and have more demanding working conditions (e.g. clean room environment and 12-hour shifts) which are less attractive to Singapore citizens.

4.2 Despite recent gains, the construction workforce was still smaller than in December 2001, as the sector has yet to recover fully the cutback in foreign construction workers arising from the building slump which persisted until early 2005 and earlier government measures to reduce the reliance on low-skilled foreign construction workers. Consequently, the proportion of construction workforce who were Singapore citizens rose to 31% in December 2006 from 28% in December 2001 and permanent residents from 5.7% to 8.2%. Nevertheless, foreigners still made up the majority of the construction workforce, accounting for three out of five persons (60%) employed in the sector in December 2006.

4.3 A breakdown of the annual change in employment of the three major sectors is at [Appendix 1](#).



**Table 2: Employment by Residential Status and Major Sectors (as at December)**

	2001		2006		Annualised Growth (%)
	Number	(%)	Number	(%)	
<b>Total*</b>					
Total	2,170,000	100.0	2,495,900	100.0	2.8
Residents (Locals)	1,501,000	69.1	1,739,600	69.7	3.0
<i>Singapore Citizens</i>	1,344,100	61.9	1,498,500	60.0	2.2
<i>Permanent Residents</i>	156,900	7.2	241,100	9.7	9.0
Non-residents (Foreigners)	670,000	30.9	756,300	30.3	2.5
<b>Manufacturing</b>					
Total	430,100	100.0	517,500	100.0	3.8
Residents (Locals)	263,800	61.3	286,700	55.4	1.7
<i>Singapore Citizens</i>	223,400	52.0	228,900	44.2	0.5
<i>Permanent Residents</i>	40,400	9.4	57,700	11.2	7.4
Non-residents (Foreigners)	166,300	38.7	230,800	44.6	6.8
<b>Construction</b>					
Total	287,200	100.0	255,500	100.0	-2.3
Residents (Locals)	97,100	33.8	101,000	39.5	0.8
<i>Singapore Citizens</i>	80,800	28.1	80,100	31.3	-0.2
<i>Permanent Residents</i>	16,400	5.7	20,900	8.2	5.0
Non-residents (Foreigners)	190,100	66.2	154,500	60.5	-4.1
<b>Services</b>					
Total	1,438,800	100.0	1,706,500	100.0	3.5
Residents (Locals)	1,126,200	78.3	1,337,700	78.4	3.5
<i>Singapore Citizens</i>	1,026,600	71.4	1,176,000	68.9	2.8
<i>Permanent Residents</i>	99,600	6.9	161,600	9.5	10.2
Non-residents (Foreigners)	312,600	21.7	368,900	21.6	3.4

**Notes:**

Source: Administrative Records

\* Includes Agriculture, Fishing, Quarrying, Utilities and Sewage &amp; Waste Management.

Industries are classified based on SSIC 2005 and are only available from December 2001 onwards.

Figures may not add up to total due to rounding.

## 5 Employment Rate by Residential Status

5.1 Employment as a proportion of working-age population is not significantly different between Singapore citizens and residents. Both registered a record high rate of 76% of the population aged 25 to 64 in employment in June 2006, since the start of the data series in 1991<sup>2</sup> ([Table 3](#)).

5.2 Among males, permanent residents typically have higher employment rates compared to Singapore citizens. In June 2006, 96% of male permanent residents aged 25 to 64 were employed, compared to 88% for Singapore citizens. This is not surprising given that the granting of permanent residence is typically tied to economic activity as explained earlier, with males being usually the main income earners of their families.

5.3 In contrast, a higher proportion of females were employed among Singapore citizens than permanent residents. Among females aged 25 to 64, 63% of the Singapore citizens were employed as compared to 59% for permanent residents.

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<sup>2</sup> The data series for employment rate, compiled from the mid-year Labour Force Survey, starts from 1991.

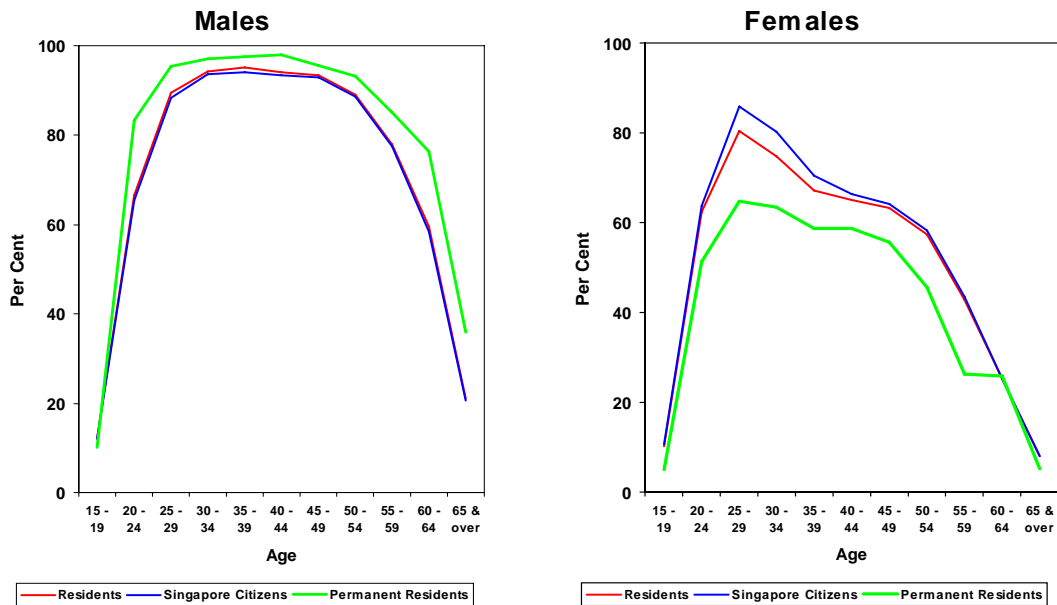
**Table 3: Employment Rates by Residential Status, June 2006**

	Residents (Locals)			Singapore Citizens			Permanent Residents		
	1991	2004	2006	1991	2004	2006	1991	2004	2006
<b>Total</b>									
<u>Age Group</u>									
15 and over	62.4	59.6	62.1	62.4	58.3	60.9	63.2	69.2	70.3
15-64	66.6	65.3	68.1	66.7	64.5	67.5	65.5	70.7	72.0
25-64	70.9	72.3	75.5	71.1	72.0	75.5	67.5	74.1	75.5
<b>Males</b>									
<u>Age Group</u>									
15 and over	77.8	71.5	73.0	77.4	69.5	70.8	86.5	88.5	89.3
15-64	82.0	77.0	78.8	81.6	75.3	77.0	89.4	90.1	90.9
25-64	90.9	86.5	89.1	90.6	85.2	87.9	94.9	94.9	95.8
<b>Females</b>									
<u>Age Group</u>									
15 and over	47.0	48.1	51.6	47.4	47.4	51.1	40.0	52.9	54.6
15-64	51.0	53.7	57.6	51.5	53.6	57.9	41.6	54.3	56.2
25-64	50.8	58.5	62.6	51.4	58.8	63.3	39.8	56.5	58.8

Source: Labour Force Survey

## Chart 2

Employment Rate by Residential Status, June 2006



## 6 Concluding Remarks

6.1 Singapore citizens, permanent residents and foreigners have all benefited from Singapore's economic growth, supported by the flexible and responsive foreign worker policies which have helped keep our workforce globally competitive. Foreigners helped to meet the shortage of workers in the recent high growth period from 2004 to 2006, enabling the economy to grow beyond the confines of our indigenous workforce. In the difficult years in 2001 to 2003, foreigners bore the brunt of the job losses.

## Employment by Residential Status and Major Sectors

In Thousands

	Employment Change					Employment Level as at Dec 06
	2002	2003	2004	2005	2006	
<b>Total*</b>						
Total	-22.9	-12.9	71.4	113.3	176.0	2,495.9
Residents (Locals)	19.4	14.9	49.9	63.5	90.9	1,739.6
<i>Singapore Citizens</i>	7.4	5.5	32.0	45.0	64.6	1,498.5
<i>Permanent Residents</i>	12.1	9.5	17.8	18.4	26.3	241.1
Non-Residents (Foreigners)	-42.3	-27.9	21.5	49.8	85.1	756.3
<b>Manufacturing</b>						
Total	-5.4	-5.0	27.0	29.1	41.6	517.5
Residents (Locals)	-4.2	-1.1	7.4	9.7	11.0	286.7
<i>Singapore Citizens</i>	-7.3	-2.7	4.0	5.3	6.2	228.9
<i>Permanent Residents</i>	3.1	1.6	3.4	4.4	4.8	57.7
Non-Residents (Foreigners)	-1.2	-3.8	19.6	19.4	30.6	230.8
<b>Construction</b>						
Total	-34.3	-17.5	-9.1	8.7	20.5	255.5
Residents (Locals)	-3.4	1.4	-1.6	2.2	5.3	101.0
<i>Singapore Citizens</i>	-1.9	1.0	-4.0	1.0	3.1	80.1
<i>Permanent Residents</i>	-1.5	0.3	2.3	1.2	2.2	20.9
Non-Residents (Foreigners)	-30.9	-18.8	-7.5	6.5	15.2	154.5
<b>Services</b>						
Total	16.5	9.9	54.9	73.8	112.7	1,706.5
Residents (Locals)	26.8	15.0	45.7	50.4	73.7	1,337.7
<i>Singapore Citizens</i>	16.4	7.5	33.6	37.4	54.5	1,176.0
<i>Permanent Residents</i>	10.3	7.5	12.1	13.0	19.2	161.6
Non-Residents (Foreigners)	-10.3	-5.1	9.2	23.4	39.0	368.9

Source: Administrative Records

Notes:

\* Includes Agriculture, Fishing, Quarrying, Utilities and Sewage &amp; Waste Management.

Industries are classified based on SSIC 2005 and are only available from December 2001 onwards.

Figures may not add up to total due to rounding.

## Explanatory Notes

### Employment

#### Source

Administrative records. The self-employed component is estimated from the Labour Force Survey.

#### Coverage

The employment data comprises all persons in employment i.e. employees and the self-employed. However, it excludes males who are serving their 2-year full-time national service liability in the Singapore Armed Forces, Police and Civil Defence Forces.

Data on the number of local (also known as resident) employees are compiled from the Central Provident Fund (CPF) Board's administrative records of active contributors defined as local employees who have at least one CPF contribution paid for him/her. A local employee is any Singapore citizen or Permanent Resident who is employed by an employer under a contract of service or other agreement entered into in Singapore. Every local employee and his/her employer are required to make monthly contributions to the CPF which is a compulsory savings scheme to provide workers financial security in old age and helps meet the needs of healthcare, home-ownership, family protection and asset enhancement.

Data on foreigners working in Singapore are compiled from administrative records of foreigners on valid work passes issued by the Ministry of Manpower. Foreigners can work in Singapore only if they have valid work passes issued by the Ministry of Manpower, upon application by their employers.

The number of self-employed residents is estimated from the Labour Force Survey. The self-employed comprises persons aged 15 years and over who are own account workers, employers or contributing family workers.

#### Concepts and Definitions

**Employment change** refers to the difference in the employment level at the end of the reference period compared with the end of the preceding period.

## Uses and Limitations

This data series allows users to identify individual industries where employment is growing or stagnating. An analysis of the data over time also helps in understanding the impact of economic cyclical and structural changes on the demand for workers. Detailed data are published in the quarterly *Labour Market Report*.

The change in employment over time is the net result of increases and decreases in employment i.e. net of inflows and outflows of workers. Users should not mistake an increase in employment as gross job creation.

## Employment Rate

### Source

Labour Force Survey

### Coverage

The survey covers private households on the main island of Singapore. It excludes workers living in construction worksites, dormitories and workers' quarters at the workplace and persons commuting from abroad to work in Singapore. To achieve full coverage of the labour force in Singapore, data on residents (also known as locals, i.e. Singapore citizens and permanent residents) from the survey are combined with foreign workforce data compiled from work passes issued by the Ministry of Manpower.

### Concepts and Definitions

**Employment Rate** is defined as the proportion of employed persons to the population in the specified age group.

### Uses and Limitations

The employment rate provides information on the ability of an economy to create jobs and the extent to which the population is engaged in productive labour market activity. It also provides a basis for labour market comparisons across economies. For this purpose, comparison of employment numbers alone without relating to the working-age population will not be useful.

A high rate means that a large proportion of an economy's population are employed while a low rate means a large proportion are not involved directly in productive market activities, because they are either unemployed or out of the labour force altogether. Although a high overall ratio is typically considered "good", the indicator alone does not provide information on labour market problems such as low earnings, underemployment or poor working conditions.

The use of employment rate complements the commonly monitored unemployment rate. Employment figures show the number of persons with jobs whereas the unemployment

figures measure the number of persons seeking jobs. These two indicators as a whole will show how 'healthy' the job market is in providing employment for the population.

As employment rate is expressed as a percentage of working-age population, it will not be affected by changes in the size of the labour force when job seekers stop to look for work and then leave the labour force either temporarily or permanently. In contrast, these variations will influence the unemployment rate which is internationally defined as a percentage of the labour force<sup>3</sup>. For instance, when discouraged workers leave the labour force, the unemployment rate goes down while the employment rate is not affected. Consequently, a singular focus on unemployment rate without regard for employment rate, could result in measures that lower unemployment through getting unemployed out of the labour force rather than into employment.

The employment rate is increasingly gaining importance as a basis for labour market comparisons across economies.

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<sup>3</sup> Labour force refers to economically active persons i.e. those either employed or unemployed.



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Currently, employment data are disaggregated into local and foreign components. This paper reports findings of an ad-hoc study to breakdown estimates of employment into three separate categories of Singapore citizens, permanent residents and foreigners.



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**Date of Release: 29 Feb 2008**

The report examines the type of jobs created in terms of occupations and whether the gains were in full-time or part-time jobs. It focuses on the employment gained by Singapore citizens over the decade from 1997 to 2007 and more recently from 2004 to 2007.



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